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The World's Most Pernicious Evil

We continue in this issue an analysis of the greatest evil in the world, namely Christianity, *if* Christianity is the *social* gospel.

The *social* gospel, taught in many churches, is an evil fraught with more serious consequences for the world than prostitution, gambling, drunkenness, unionism or communism, bad as they may be.

Not only is the *social* gospel intrinsically a greater evil than "wine, women and song"; it has the additional disadvantage of being sanctimonious.

* * *

Readers know that we are in the process of reviewing selected essays in *God-Centered Living or Calvinism in Action,* a book published by the Calvinistic Action Committee, a self-appointed group with many members from the Christian Reformed church. See the October 1956 issue, page 298 and following.

We shall in this issue continue with part of our review of the Rev. Peter Van Tuinen's essay (in the aforementioned book) which has the impressive title, "Calvinism and the Task of the Church for the Solution of Modern Problems." See the January 1957 issue for the first instalment of this review. fn

Two Definitions Of Socialism

It is easy to look up the word *socialism* in a dictionary and to read what it says. For example, the unabridged Webster dictionary says:

> *socialism.* A political and economic theory of social organization based on collective or governmental ownership and democratic management of the essential means of the production and distribution of goods; . . .

Such a definition basically defines socialism as a theory of "social *organization.*" Then, secondly, it declares that socialism is that kind of organization for society which is based on "collective or

governmental ownership" of capital. The term, capital, refers to the "means of production and distribution."

In the foregoing definition three words are slipped in: "and democratic management." That part of the definition is false. The Webster dictionary has been subverted. Socialism never has and never can be founded on *democratic* management. But we shall not go into that now.

What we are interested in is an understandable and meaningful definition of socialism. The meaning of the term troubled us for years. If it will take as long for others to be sure in their minds what *socialism* means as it has taken us, then most people do not yet have a genuine and sure definition. We shall briefly outline the process by which *we* have learned somewhat what socialism really is.

We began with the idea that socialism is equality of income and property; nobody rich and nobody poor any more; everybody equal in material income and goods.

In a limited way the definition is indicative. Socialism does, allegedly, aim at equality of income. But experience shows that in socialistic societies, and there are several of them, there is no greater equality of income than in capitalist societies. It is said that in Russia, which describes itself as a group of socialist republics, extremes in income from high to low exceed extremes in income in the United States. In a socialist society the high incomes go to those who have political power and their hangers-on. In a capitalist society the high incomes go to those in key business positions and especially to those who own much capital.

We have abandoned the idea that socialism genuinely provides equality of income.

(We cannot forbear to mention what needs to be repeated, namely, that if income is to be equal, laws must be designed to bear unequally on people. If Jones and Smith, whom God made differently, are to be made equal in income (or in anything else) then the law must be such that it will bear harder on one than the other. There can no longer be *general* laws; not even the Deca-

logue can have *general* validity in a society which is genuinely socialistic. That, by the way, is exactly what the shrewdest leaders of the social gospel have come to understand. See the following article.)

Secondly, we have abandoned the idea that in a socialist society there will no longer be any rich or poor. We once assumed that in a socialist society everybody could be comfortable, that is, neither rich nor poor, as that remarkable but easily misinterpreted prayer in Scripture requests, "Give me neither poverty nor riches; Feed me with the food that is needful for me: Lest I be full, and deny *thee*, and say, Who is Jehovah? Or lest I be poor, and steal, and use profanely the name of my God" (Proverbs 30:8b-9). Equality at one time implied, to our naive mind, *general* comfort; the poor would come up as much as the rich came down; *therefore,* so we reasoned, the prosperity situation would be medium. But we have concluded that that is a grave error. If the wealth of the world is equally divided among people throughout the world, there will be, it is true, no rich any more. But everybody will still be poor. The wealth of the few is not great enough to have much effect if spread widely. Furthermore, coercive equalization of wealth and income invariably results in the decumulation of *total* wealth. Equality, therefore, now means (and *always* will mean) poverty, and not intermediate comfort. This is something we plan to expand on at another time.

With the passing of time we did more reading about socialism, and we believe that we were able to improve our definition; we concluded that socialism is primarily the denial of the right to an *unearned* income.

An *unearned* income is an income from property, from investments. If property — land, factories, stores, etc., are collectively owned or are owned by the government, then you as an individual will not be permitted to own property and consequently you will not be able to collect an *unearned* income. Your wage or salary may be relatively large or small, but there will not be an inequality between you and others *because* you are receiving an unearned income and they are not.

And so we realized that it was the unearned income, and the inequalities arising from the variations in unearned income which was a "rock of offense" to socialists. We also learned that socialists will grant the propriety of some or even considerable variation in the *earned* (wages and salaries) income, provided there is no *unearned* income. Their venom, covetousness, is directed against the free market "distribution" of income, which type of distribution inevitably provides some unearned income to some people.

(By *distribution* of income is not meant the delivery of goods to consumers, but the size of the share that each gets of society's total income.)

We stayed with that idea for some time, but were surprised to discover that socialism involves another idea altogether different.

Socialism, we learned, is not merely a theory on the distribution of income or wealth among individuals (as just explained), but it is also *a method of organizing society for the production of goods.*

There are many ways "to organize" for producing goods, but in this case "to organize" refers to one of two basic methods. The two methods are:

1. A voluntary system (not centrally planned, but a free market); or
2. A coercive system (*dirigisme*), a *controlled* economy.

Men in society can cooperate *voluntarily,* and then you can have a *free* society. Or men in society can be forced to coordinate, regardless of their personal wishes, in the production of goods, and then you have a *coercive* society. Capitalist societies are free societies. Socialist societies are coercive societies. This develops inescapably from the principles which determine them.

It was *that* idea, that socialism pertained to the *economic order,* that is, it pertained to a *method of organizing* men in society, as well as to the distribution of the goods produced, which enlarged our definition of what socialism is. For us, today, then socialism is:

1. A *coercive* system of production, and
2. A system of distribution denying any place whatever to *unearned* income.

Socialism in the first sense is a violation of the Sixth Commandment, which forbids coercion; in the second sense it is a violation of the Eighth and Tenth Commandments.

PROGRESSIVE CALVINISM has been published for more than two years. We have omitted thus far reference to that phase of socialism which pertains to the distribution of income, that is, to the question of *unearned* income. In regard to that phase of socialism which pertains to the "organization of production" we have declared:

1. That we are unalterably opposed to all coercion (except the coercion to restrain evil, with evil defined as in Scripture). We believe Moses taught noncoercion, noninjury of the neighbor, freedom and voluntary cooperation. And we believe that Christ in the New Testament taught exactly the same thing in positive terms, to wit, meekness and gentleness and cooperation. A socialist society is coercive, and because it is coercive it is contrary to Scripture.

2. Therefore, that we are against coercion as manifested by:

   a. coercive unions;

   b. coercive business, as monopolies;

   c. coercive governments whose acts are excused or tolerated on the ground that that government is one of the "powers that be";

   d. sanctimonious definitions of love which substitute a *moral coercion* demanding the doing of certain things, which are so unattainable that they can be described as unreasonable and sanctimonious.

The foregoing can be summarized as follows. There are three kinds of socialists.

1. Firstly, there are socialists who limit their socialism to endeavoring to equalize incomes by basically denying and eliminating the right to an *unearned* income. But, otherwise, they are capitalistic in their thinking; they wish society to be "organized" on a capitalistic basis *for production purposes.* In this sense the late Henry Simons of the University of Chicago was a "socialist." He was, and many of his students are, passionately sincere in favor of a free enterprise *organization* of society but, once having obtained high production by that type of organization, he then wished to equalize the income by steeply progressive taxation. Men of this type are socialists in *one* sense only, in the field known in economics as "distribution." Socialism of this type appeals to greed and covetousness.

2. Secondly, there are socialists who emphasize in their socialism a method of organizing society, but who do not sincerely object to inequality of income. Many socialist *bureaucrats* are in this group. They wish to "organize" production by telling people what to do, by sitting on government boards, by issuing regulations, and by passing laws. Inevitably, they are subjected to the temptations accompanying power. They have advance information on "plans"; they can gain personal advantage from using that information. Others who realize the bureaucrats' possession of inside knowledge are willing to pay for advance information, that is, pay bribe money, or in a more refined way, supply refrigerators or mink coats or entertainment, etc.

The *big* incomes in Russia go to the top brass in the hierarchy and to the members of the party. However, in general the professional socialists are in it primarily for power and only incidentally for pelf. As a by-product of power they actually enjoy an inequality of income, but what they adamantly insist on is that the "organization" of society be controlled by themselves. Socialism of this type appeals to the propensity toward coercion.

3. Then there is the third class of socialists. They are the advocates of the social gospel, the parlor pinks, and some of the college faculty members. They are the socialists who genuinely believe in *both* phases of socialism: (a) they believe in a centrally planned, controlled and coercive society, and (b) they also want equality of income and the elimination of unearned income. These men are the socialist theorists. fn

What Is The Social Gospel? (A Definition From The Viewpoint Of Scripture)

The *social gospel* may be defined as proposals for the political, social and economic organization of society, based on principles of morality which are considered (1) not to be applicable to individuals, but (2) are applicable to men acting collectively, that is, in a group, and specifically acting as citizens of a State. The social gospel is not a system of morality for individualism but for collectivism. The social gospel makes a sociological approach. Group and class relations are considered and not individual relations.

Whereas Fundamentalism may be considered to be the doctrine of salvation by grace for an individual in this life and for the life to come, the social gospel may be considered to be the salvation of society (1) by the exercise of power by the State, or (2) by the application by the individual of different principles of morality than would prevail if a man were dealing only as an individual with other men.

There are all kinds of brands of social gospels. But the essential characteristic of any social gospel is that it operates on principles different from the Second Table of the Law of Moses. No social gospel can be founded on grace based on the vicarious merits of Christ; nor can any social gospel be founded on the Mosaic law of ethical conduct; instead any social gospel must be founded on an alleged doctrine of love which (1) pretends that it is a God-like love (*agape*) by men toward their fellow men, but which (2) under that pretense positively violates the Mosaic Law of ethical conduct (theft, covetousness and violence).

The road by which this basis for a social gospel is reached is obvious. Step (1) consists in the abandonment of the Second Table of the Law of Moses; step (2) consists in an exaggerated definition of neighborly love allegedly (but falsely) based on the New Testament; step (3) consists in covering up the violation of the Law of Moses under the guise of legality and a God-given authority of the State.

In 1952 the famous American theologian, Reinhold Niebuhr published his infamous *Moral Man and Immoral Society* (Charles Scribners' Sons, New York). This is probably the most immoral book published in 1952.

Niebuhr has since declared that he is no longer responsible for what he has published in the past. We are not declaring therefore that ideas in this book represent Niebuhr's *present* ideas; we do not know what his disclaimer covers, and a man is certainly entitled to change his opinions; all sensible men do from time to time as their information or wisdom increases.

The first sentence in Niebuhr's *Introduction* to this book, page xi reads as follows (our italics):

> The thesis to be elaborated in these pages is that *a sharp distinction must be drawn between the moral and social behaviour of individuals and social groups,* national, racial and economic; and that *this distinction justifies and necessitates political policies which a purely individualistic ethic must always find embarrassing.* The title "Moral Man and Immoral Society" suggests the intended distinction too unqualifiedly, but it is nevertheless a fair indication of the argument to which the following pages are devoted.

What does the foregoing say in plain but general language? It declares this simple idea: there is a totally different moral law for society than the moral law that exists for individuals. Society may do what the individuals may not do. In other words, the *social* gospel is not under the law of the Decalogue; only individuals are under the law. Society may do what would be "embarrassing" (says Niebuhr) for an individual. "Embarrassing" in this context means morally indefensible. If this *law for society* is not based on the Mosaic Law, but is in violation of it, on what other moral law is it founded? Whoever correctly answers that question has answered what the *social gospel* is.

The *social gospel* in other words is something positively contrary to the Mosaic Law. *That* is the simple and basic proposition in Niebuhr's book, *Moral Man and Immoral Society.* Niebuhr does

not condemn such an immoral society. He demands just such an immoral society. This is his proposition: such a *society* is properly considered to be immoral from the standpoint of *individual* ethics (the Mosaic Law) but it is not immoral from the viewpoint of society as a whole. What Niebuhr admits is immoral for society to do *from the viewpoint of the Mosaic Law* (the law for *individuals*) is exactly what Niebuhr wants approved for society as a whole. *That* is his social gospel, his gospel for society. And *that* is what every *social* gospel must be no matter who teaches it.

Niebuhr advocates, and publishes his book in defense of the idea that: *man as a citizen may and should do collectively, especially through the instrumentality of the State (but also through such organizations as the labor unions) what would be positively immoral for him to do as an individual.*

Niebuhr is a man of extraordinary abilities and is more honest than most theologians. He has come to see that his social gospel, [in fact, any social gospel] in order to be a *social* gospel, *cannot* be the individualistic gospel of Scriptures. Many who advocate a social gospel do not realize that, and possibly some, who are astute enough to realize that, are not honest enough to admit that any and every social gospel must be based on some other basis than individual morality as outlined in the Scriptures.

The social gospel of the World Council of Churches is essentially the social gospel of Niebuhr. As the social gospel of Niebuhr so the social gospel of the World Council of Churches is contrary to the morality for individuals which is taught in Scripture; Niebuhr is probably the chief "brain truster" for the World Council of Churches.

In the Christian Reformed church, if there are members who teach a social gospel, it may be assumed that they do not realize that their social gospel is and cannot be reconciled with Scripture. They will either be less lucid in their thoughts or less candid in their statements than Niebuhr, so that they will not declare their social gospel is contrary to Scripture, as Niebuhr admits his is, but they will declare that *their* social gospel *is* based on Scripture.

Progressive Calvinism is an unalterable enemy of *any* social gospel. We have no truck with any brand of a social gospel. We

consider any social gospel to be accursed by God, because of declarations made in Scripture.

Scripture admonishes against any addition or subtraction from what it teaches. Moses wrote in Deuteronomy 4:1-2 (our italics):

> And now, O Israel, hearken unto the statutes and unto the ordinances, which I teach you, to do them; that ye may live, and go in and possess the land which Jehovah, the God of your fathers, giveth you. *Ye shall not add unto the word which I command you, neither shall ye diminish from it,* that ye may keep the commandments of Jehovah your God which I command you.

Every social gospel "adds" to the words commanded by Moses, and every social gospel "diminishes" from the words commanded by Moses.

The crucial question, therefore, in regard to any social gospel occurs at the very beginning: does anyone advocate a social gospel at all, because to advocate it is to be in conflict with Scripture.

fn

The Kinds Of Income

The popular classification of incomes is as follows:

1. *salaries and wages* as income for labor;
2. *rent* as income from land;
3. *profits* as income from a business;
4. *interest* as income from loans to others.

Upon examination, it is obvious that the income in the form of salaries and wages is *earned* income. But the incomes in the form of rent, profits and interest are all *unearned* incomes.

Consider an old farmer who owns 160 acres of land. He no longer wishes to live in the country away from the town with its conveniences of nearby stores, churches, theatres, etc. He rents the farm to a young farmer. This tenant is required by the owner

to pay rent, say $15 an acre, or 160 acres x $15, or $2,400 a year. When the farmer-owner operated the farm, he paid no rent. He retained for himself the full income from the farm. But the new farmer does not retain the full income. He keeps only that income which is left after paying the owner the $2,400 a year. Obviously, when the old farmer-owner operated the farm he received (at least) two kinds of income — one income for his labor on the farm and another from ownership of the farm. The income for his labor is called wages, and the other part is called rent. Such rent is *unearned* income, as distinguished from the income for labor, called wages or salaries, which is described as *earned*.

Similarly, in regard to a baker who owns a bakery. He works as a baker and has an *earned* income from his work, but his income is higher than that, because he has an *unearned* income in return for his baking equipment and the store and delivery equipment. Say that that investment amounts to $50,000. Would a man with so much money invested in plant and machinery be willing to earn the usual wage only of a baker? Of course not. He will insist on getting as much more than customary wages as the customary return on capital (say 4%). He will want then 4% of $50,000, or $2,000 a year extra income, *unearned* income, or else he will sell the bakery and put the money out at interest and so get the $2,000. He will expect his wage for labor (now in another man's bakery) to be as high as his wage for labor only was when he was an owner himself. But his income from working in a bakery will be $2,000 less than formerly; but he will "make that up" by getting the $2,000 from his new and different investment of his $50,000.

The extra $2,000 in his original income was *profit* on his business. A characteristic of "profit" is that it is variable, now higher, now lower. This baker may earn $4,000 on his investment in a very good year, and in another year he may only break even or possibly lose money. But over a period of time he will definitely want at least an average return on his investment. His *profit* was and is an *unearned* income. It was the *possession* of the bakery which gave him the unearned income.

There is not only an unearned income on land, known as rent; and an unearned income on capital, known as profit; there is

also an unearned income on money, known as *interest*. Jones needs a house. It will cost $20,000. He has only $12,000. But his neighbor has an extra $8,000. The neighbor lends the $8,000 to Jones for ten years, at an annual interest rate of 5%, or $400 a year. The neighbor does nothing to "earn" the $400. Nevertheless for the use of $8,000 Jones is glad to pay it. The neighbor has an *unearned* income of $400 annually in the form of interest.

Technically, the description as *rent* being a return on *land*, *profit* a return on *capital* (business), and *interest* a return on *money* is not satisfactory, but the description is popular and easily understood; and it serves our purposes presently. Suffice it to say that there are three forms of unearned income, namely, rent, profits and interest.

Basically, the cause for rent, profit and interest is a common cause, but we shall not go into that now. For that reason (and because of other reasons), in technical economics the term *interest* is often used to designate any and every kind of *unearned* return. *Interest* in economics can, depending on the context, refer to rent or profits as well as to loan interest. For example when Eugen von Böhm-Bawerk wrote his three volumes on *Capital and Interest*, the term *interest* in the title referred to all return on any kind of capital whether *rent* on land, *profits* on a business, or *interest* on money loaned. In technical economics, interest is sometimes a generic (broad) term, and at other times refers only to loan interest, or as it is also known, contract interest. In Scripture the term *interest* refers only to loan interest. fn

Julius Rosenwald And The Fifteenth Psalm

People still living will remember a famous Jewish business man and philanthropist, Julius Rosenwald. Mr. Rosenwald in his lifetime was president of Sears, Roebuck & Company. As a Jew he was, not unnaturally, interested in the Old Testament. We have heard that one of the favorite psalms of Mr. Rosenwald was Psalm 15. We quote it (our italics):

> Jehovah, who shall sojourn in thy tabernacle? Who shall dwell in thy holy hill? He that walketh uprightly, and worketh righteousness, And speaketh truth in his heart; He that slandereth not with his tongue, Nor doeth evil to his friend, Nor taketh up a reproach against his neighbor; In whose eyes a reprobate is despised, But who honoreth them that fear Jehovah; He that sweareth to his own hurt, and changeth not; *He that putteth not out his money to interest,* Nor taketh reward against the innocent. He that doeth these things shall never be moved.

Of a man, one of whose characteristics is that he does not put "his money out at interest" it is said "Whoso doeth these things shall never be moved." This is a very large promise.

Interest, a form of unearned income, clearly appears to be forbidden in this psalm. fn

Texts In Scripture Against Interest

There are several texts in Scripture which condemn interest. For example:

> *Exodus 22:25.* If thou lend money to any of my people with thee that is poor, thou shalt not be to him as a creditor; neither shall ye lay upon him interest.
>
> *Leviticus 25:35-37.* And if thy brother be waxed poor, and his hand fail with thee; then thou shalt uphold him; as a stranger and a sojourner shall he live with thee. Take thou no interest of him or increase, but fear thy God; that thy brother may live with thee. Thou shalt not give thy money upon interest, nor give him thy victuals for increase.
>
> *Deuteronomy 23:19-20.* Thou shalt not lend upon interest to thy brother; interest of money, interest of victuals, interest of anything that is lent upon interest. Unto a foreigner thou mayest lend upon interest; but unto thy brother thou shalt not lend upon interest, that Jehovah thy God may bless thee...

Proverbs 28:8. He that augmenteth his substance by interest and increase, gathereth it for him that hath pity on the poor.

Ezekiel 18:8-9, 10a and 13, 14a and 17. He that hath not given forth upon interest, neither hath taken any increase, . . .; he is just, he shall surely live, saith the Lord Jehovah.

If he beget a son that is a robber . . . [who] hath given forth upon interest, and hath taken increase, shall he live? he shall not live; he hath done all these abominations; he shall surely die; his blood shall be upon him.

Now lo, if he beget a son that . . . feareth, and doeth not such like; . . . that hath withdrawn his hand from [spared] the poor, that hath not received interest nor increase . . ., he shall surely live.

Ezekiel 22:12. In thee have they taken bribes to shed blood; thou hast taken interest and increase, and thou hast greedily gained of thy neighbors by oppression, and hast forgotten me, saith the Lord Jehovah.

Nehemiah 5:7, 10. Then I . . . contended with the nobles and the rulers, and said unto them, Ye exact usury, every one of his brother. . . . And I likewise, my brethren and my servants, do lend them money and grain. I pray you, let us leave off this usury.

The reference in the foregoing to *interest* will be clear to all. But the word *increase* may sound unusual. It refers to a loan "in kind" that is a loan in goods, not money. It was forbidden to ask back 11 bushels of wheat if 10 bushels had been loaned; the eleventh bushel would obviously be the same as 10% interest (one bushel extra for the 10 bushels originally loaned). fn

Interest And Usury

Scripture uses both terms, interest and usury, completely interchangeably. Interest and usury meant exactly the same thing in the Old Testament and the New Testament.

In post-Biblical times usury has come to mean a high rate of interest, or a rate of interest considered to be extortionate. Such an appraisal of interest must be subjective. Who is to declare what is too high or extortionate under the circumstances that exist in the specific case?

Also, in modern times various governments have by legislation set maximum interest rates. Rates above that maximum legal rate are declared to be usury. If the maximum legal rate is 8%, but 9% is charged, then according to this definition, the "interest" is 8% and the "usury" is 1%. Obviously the whole 9% cannot be usury, but only the excessive 1%.

It is of cardinal importance to keep in mind that in Scripture interest and usury mean exactly the same thing.

Every reader will realize that in the two modern senses of an *excessive rate of interest*, or a *more-than-legal rate of interest* usury is an item of insignificant consequence — a mere fly-speck in the great moral issues of the day. fn

The History Of The Moral Appraisal Of Interest (Or Usury) In Broad Strokes

The history of the judgment of mankind on the morality of interest (usury) can be painted with a broad brush:

1. Moses forbade interest (usury) under certain conditions.
2. The Jews in New Testament times accepted the idea of interest favorably. Christ did, too.
3. The Christian church fought interest grimly for 1500 years.
4. Calvin approved of interest.
5. The Social Gospel has not reverted to the position of Moses and of the ancient and medieval church, but has gone immeasurably farther in its opposition to interest than Moses or the Catholic church ever went.

6. Rev. Peter Van Tuinen, a clergyman in the Christian Reformed church, a member of the Calvinistic Action Committee, participates in this same social-gospellish anti-usury idea.

The modern opposition to interest (usury) is something altogether different from Moses's opposition to interest; or, shall we say more accurately, Moses's *apparent* opposition to interest.

The modern opposition of the social gospel to interest has a malignant character. It is wholly, unqualifiedly un-Biblical, illogical and vicious. Its origin is socialistic (communistic) and it is based on principles in complete enmity with what Scripture teaches.

The qualifications (i.e., special limitations) regarding interest by Moses were beneficent. The modern opposition of the Social Gospel to interest has a complete, Scripture-denying origin. The social gospel can advance nothing in defense of its opposition to interest, except the propensity to covetousness, thievishness and coercion. fn

The Rev. Peter Van Tuinen On Usury

In his essay, "Calvinism and the Task of the Church for the Solution of Modern Problems," which is the second essay in *God-Centered Living or Calvinism In Action,* a symposium by a Calvinistic Action Committee (1951, Baker Book House, Grand Rapids, Michigan), Rev. Peter Van Tuinen writes, page 39 (our italics):

> . . . we must conclude that our Lord has left the church with a clear responsibility toward the manifold problems of our modern world. That responsibility may be defined as . . . a Christian culture. . . . The church must seek, by the preaching and teaching of the *gospel of righteousness,* to make an impact on both the regenerate and the unregenerate man. Moreover, since man lives, not in isolation but in society, the church must not fail to exercise the critical function of the gospel upon the *organization of society,* the various *relationships of men,* and the *several functions* which are carried out by men in common.

> To illustrate this inevitable necessity, we may take for example the economic responsibilities of man as expressed and implied in the teachings of our Lord. *We take for granted that the church will preach the gospel demands of justice, charity, honesty and stewardship, while at the same time condemn such unchristian economic practices as economic oppression, selfishness, usury and mammonism.*

Van Tuinen presents this as his economic gospel. He insists that the church must be concerned with more than private morality; it must also be concerned with the "gospel of righteousness," the "organization of society," the "relationship of men," and the "several functions."

As we noted in the January 1957 issue of Progressive Calvinism, the question to which we seek an answer is whether Van Tuinen has a social gospel of his own (possibly a full brother of the social gospel generally), which can be reconciled with Scripture.

In an essay of the kind as Van Tuinen's it is difficult to fix *exactly* what he proposes. His confusion of thought and the generality of his terms are considerable. All critiques of some pieces of writing can be disputed by appealing to a confusion in the original document.

But in what has just been quoted we have undoubtedly the basic ideas of Van Tuinen for his economic gospel. He is:

For	*Against*
justice	economic oppression
charity	selfishness
honesty	usury
stewardship	mammonism

There are some conspicuous omissions: there is not a word against interventionism, or government interference with legitimate liberties; there is no intimation that economic oppression is exercised by unions; there is not a word against covetousness; there is throughout the world today a monstrous evil — the principle of communism. Van Tuinen refers to none of these.

For Van Tuinen there is a special kind of economic unrighteousness handicapping the coming of his earthly "kingdom of God." Such economic unrighteousness consists of the acts of businessmen. Read his whole essay and his inveterate hostility to "business" and "businessmen" (typical of all men preaching a social gospel) will be fully realized.

As an example, let us consider in some detail Van Tuinen's blacklisting of *usury,* which is a universal business practice.

At once, attention will be called to the liturgical form used in Communion in the Christian Reformed church. It declares that "usurers" are not to be admitted to Communion.

We believe that in 100 years of existence the Christian Reformed church has never banned any man from Communion for usury. The term as used in the form is a perfect dead letter because of changed circumstances. (We may explain that later.) But Van Tuinen is talking about a great program for Calvinism — something dynamic, vital, relevant, world-reforming, world-sanctifying, a veritable "kingdom of God." And in that wonderful campaign to which he urges Calvinists to address themselves, a major part of his program is the fight against *usury.* This matter of *usury* cannot be a dead letter for Van Tuinen in his social gospel as it is a dead letter in the form for Communion in the Christian Reformed church.

We shall, therefore, give some attention to the "sin" of *usury* which is so important in Van Tuinen's economic gospel. fn

Our Ancestral Church On Interest

Indirectly or directly every one of us is an heir to the great Catholic church. If we are Protestants now there was a time when our ancestors were Catholics. The heritage of every Protestant today followed the Catholic road for 1500 years or more. What was the ancient attitude of our mother church on interest or usury? It was what might be read from Scripture, namely, interest is forbidden.

The result of this is well known to many. No gentiles went into the banking business: but Jews did go into the banking business because according to Deuteronomy 23:19-20 a Jew might collect interest from a gentile. And so the Jews became the bankers of the gentiles and the bankers of the Medieval world.

It should be noted that on the question of interest the church was stricter than Moses. It is always dangerous to become more restrictive than Scripture itself. If Moses had authorized a Hebrew to collect interest from a gentile why should not a gentile be permitted to collect interest from a gentile? If it was fair to a gentile to have to pay interest to a Jew, it would seem also to be fair to a gentile to have to pay interest to a gentile.

A little reflection should have shown that the general rule was obviously that interest was all right, but that under special circumstances it should not be collected from a Jew by a fellow Jew. But this latter instance should then be viewed as an exception for some special reason.

Obviously, the Mosaic rule on interest would have to be looked at in one of the three ways:

1. Moses was inconsistent on interest; he taught two morally irreconcilable rules; or

2. The general rule was against interest, but Moses authorized a Hebrew to exploit a gentile. This would be a "special dispensation"; obviously the moral standing of the exception would be questionable.

3. The general rule was that interest was all right, but a special restriction was applied to Hebrews.

Of these three possible positions the ancient church selected the second. She should have selected the third.

The ancient church for centuries fought the payment of interest with grim determination and steadfastness. But by the year 1500 it could be seen that the prohibition of the church against the collection of interest would have to be abandoned. Everywhere, by the sixteenth century, the battle line against interest was cracking.

The Catholic church today may be considered as modern and up-to-date on interest as any church. Her tenacious fight against interest failed completely, as all such fights must fail; misunderstanding of the teachings of Scripture is not effective in destroying economic law. It never has been and never will be.

We shall see later (1) that whereas the ancient church was honestly in error in a specific matter without however making that error a part of a generally unscriptural economic order, that (2) the modern social gospel is magnifying the error about interest and is doing so in a malignant setting essentially based on communism. Furthermore, the economics of interest were not worked out in the Middle Ages and have not been understood until within the latest 75 years. The ancient church may therefore be excused, but the modern social gospel and Van Tuinen are wholly inexcusable in their erroneous doctrine on interest or usury. fn

The Misuse Of Scripture

Progressive Calvinism is not in the tradition of either the great church father, Augustine, or the great scholasticist, Thomas of Aquinas. (We belong to a radically different school of thought.) But these men made great contributions to the Christian church and it is well to consider their position on any subject. What was their position in regard to "proving" something by a scriptural text?

Meyrick H. Carré in *Realists And Nominalists* (Oxford University Press, Amen House, London, E. C. 4, 1946) writes, page 19:

> [Augustine] emphatically warns Christians against the danger of clinging to crude beliefs about the natural world on the authority of Scripture. [He wrote:] "It frequently happens that there is some question about the earth, or the sky, or the other elements of this world, the movement, revolutions, or even the size and distance of the stars, the regular eclipses of the sun and the moon, the course of the years and seasons; the nature of the animals, vegetables, and minerals, and other things of the same kind, respect-

> ing which one who is not a Christian has knowledge derived from most certain reasoning or observation. And it is highly deplorable and mischievous and a thing especially to be guarded against that he should hear a Christian speaking of such matters in accordance with Christian writings and uttering such nonsense that, knowing him to be as wide of the mark as, to use the common expression, east is from west, the unbeliever can scarcely restrain himself from laughing."

What Augustine wrote about the misuse of Scripture in the field of the natural sciences is equally applicable in regard to the misuse of Scripture in the field of praxeology (the social sciences), particularly economics. Paraphrasing Augustine, we would write: "It is deplorable that an economist should hear a twentieth-century Calvinist uttering such nonsense about interest (usury) that he can scarcely restrain himself from laughing."

Carré in the same book, page 95, wrote:

> [Thomas of Aquinas] is respectful towards natural knowledge and echoing Augustine he warns Christians against displaying their ignorance in discussing scientific questions. He lays down the principle that Holy Scripture can be explained in a number of ways and no one should abide by any particular interpretation so rigidly as to be unwilling to abandon it if it should clearly be shown to be false. Otherwise Scripture is exposed to the ridicule of unbelievers and obstacles placed in the way of their assent to the Faith.

On the question of *usury* some modern Calvinists have been naive in displaying their ignorance, despite the very sound advice of the great Thomas of Aquinas.

Van Tuinen is, in fact, an obscurantist on economics. The church, he declares, should do spectacular things in promoting the "righteousness of the gospel" and the right "organization of society," and the proper "relationships of men" and their "several functions" in society. The gospel is to place a decisive stamp on all these, a stamp of a Calvinist brand of the gospel.

But that, Van Tuinen believes, can be done by clergymen who are ignorant or have only a dilletante knowledge of a subject; he writes (page 45): "All this is a far cry from saying that the Christian preacher must be an expert economist, . . ." His proposition is the ridiculous one: preach without knowledge; declare positively what is right or wrong without understanding what it is all about; tell society how it must be organized but know practically nothing about economics.

As long as any Christian Reformed minister pretends to be qualified to talk on economic questions, without a thorough knowledge of economics, he will make the Christian Reformed church and any Calvinistic Action Committee to which he belongs look foolish. fn

John Calvin On Interest

John Calvin (1509-1564) has about the best record of any ancient theologian on this question of interest and usury. There are reasons for that.

In the first place he was the son of a well-to-do bureaucrat. Calvin's father, a man of great ability, was not a man who became wealthy in a free market society, but by means of his connections. Calvin senior therefore had possessions based on status or rank. (Incidentally a society based on such a system cannot be reconciled with the teaching of Scripture.) Naturally, a son in such a household would look on the possession of property sympathetically, and he would be trained to think that an income in the form of interest, that is, *unearned* income, was allowable.

In the second place, Calvin lived at the time when long-held ideas on interest were being swept away. If Calvin had not clearly seen the perfect validity of interest, others would have. The end of the ban on interest was at hand whether Calvin had ever expressed himself or not. The time was ripe for new ideas on interest.

In the third place, Calvin had a logical mind. He was quite the opposite of being naive. He apparently did not like absurdities

or inconsistencies. He must have looked around and said to himself that the ancient interpretation of the Mosaic law on interest must be wrong. He must have asked himself what the *logical* situation was on interest, and then decided that he would interpret Scripture in a sensible sense.

What did Calvin write on the subject of *interest?* Eugen von Böhm-Bawerk, the famous Austrian economist, in his classic *History And Critique Of Interest Theories* (the German title is *Kapital und Kapitalzins*) wrote:

> The first champions of the new school were the reformer, Calvin, and the French jurist, Dumoulin (Carolus Molinaeus).
>
> Calvin has defined his attitude towards our question in a letter to his friend Oekolampadius. In this letter he treats it, not in detail perhaps, but certainly with decision. At the outset he rejects the usual scriptural foundation for the prohibition, seeking to show that, of the writings customarily adduced in its support, some are to be differently interpreted, and some have lost their validity because of the entirely changed circumstances. The scriptural authority for the prohibition being thus disposed of, Calvin turns to the rational arguments usually given to support it. Its strongest argument, that of the barrenness of money (*pecunia non parit pecuniam*), he finds of "little weight." It is with money as it is with a house or a field. The roof and walls of a house cannot, properly speaking, beget money, but through exchange of the use of the house for money a legitimate money gain may be drawn from the house. In the same way money can be made fruitful. Since land is purchased for money, it is quite correct to think of the money as producing other sums of money in the shape of the yearly revenues from the land. Unemployed money is barren, to be sure, but the borrower does not let it lie unemployed. The borrower therefore is not defrauded by having to pay interest. He pays it *ex proventu,* that is to say, out of the gain that he makes with the money.

Calvin would have the whole question judged in a reasonable spirit, and he illustrates in detail by an example, how the lender's claim to interest may, from this point of view, be well grounded.

A rich man who has plenty of landed property and general income, but little ready money, applies for a money loan to one who is far less wealthy, but has more ready money. The lender could use the money to purchase land for himself, or he could request that the land bought with his money be hypothecated to him till the debt is wiped out. If instead of doing so, he contents himself with the interest, the fruit of the money, how can he be condemned, when the other much harder bargain is regarded as fair? As Calvin vigorously expresses it, that were a childish game to play with God, "and what is it but playing, like children, with God, if one's judgment of a thing is based on the bare words, instead of on the nature of the thing itself?"

He concludes then, that the taking of interest cannot be universally condemned. But neither is it to be universally permitted, but only so far as it does not run counter to fairness and charity. The application of this principle necessitates the listing of a number of exceptions in which interest is not to be allowed. The most noteworthy of these are: that no interest should be demanded of persons in urgent need; that due consideration should be shown to the "poor brethren"; that the "welfare of the state" should be considered; and that the maximum rate of interest established by the laws should in no case be exceeded.

The foregoing quotation is from an as yet unpublished translation by George D. Huncke and Hans F. Sennholz.

Two famous publicists, Molinaeus and Salmasius developed the argument of Calvin further. But the germ of their argument is fully presented in what was quoted in the foregoing about Calvin. fn

Superficiality Of Calvin's Argument On Interest

Calvin did three things when he discussed interest:

1. He took a sound position that interest is not forbidden in Scripture.

2. He added some modifications or qualifications which are erroneous. (We shall discuss these later.)

3. He based his main argument in favor of interest on a sound comparison or analogy. But unfortunately he went no further. Consequently, his defense of interest, although sound, is completely superficial.

According to Böhm-Bawerk's summary of Calvin's reasoning in favor of interest, Calvin reasons as follows: *A* borrows from *B*. *A* uses that money to buy or operate a farm; *A* makes money by doing that. *B* on the other hand could have made the same profit doing that. *A* could not make that money if *B* had not loaned him the money. *B* on the other hand could have made the same profit at farming that *A* did. If *B* then were to get nothing from *A* for the use of *B*'s money, then *B* would have farmed (bought land or operated land) himself.

What does this argument amount to? This:

1. In the first place, this is not a question of charity in any sense, but business. Both parties are looking at a loan as a *business* transaction.

2. The borrower profits by borrowing for a business purpose; at least, he *expects* to profit. He is confident that he can profit more with the aid of a loan than he will profit without a loan. He will pay interest gladly provided he expects that he will be "ahead," that is, provided he expects that his income from the use of the loan will exceed what the loan costs him in interest.

3. If anyone is foolish enough to forbid the demanding and receiving of interest on such loans, then the possessors of funds will go into business for themselves. They will themselves earn

the full profit (*unearned* income) to be made from capital. Would-be borrowers without capital will no longer have access to capital. All entrepreneurs (businessmen) will henceforth only be the capitalists, that is, people with capital or funds.

4. And so, Calvin concludes that interest is natural, equitable and sensible.

He was, of course, wholly right. The matter is so obvious that it is not debatable.

Calvin undoubtedly considered that his argument was conclusive. If he had thought it was not conclusive, he would have added more. Where does his reasoning fall short of what is required?

The reasoning fails because it does not go far enough. Calvin explains *loan* interest by means of *land* interest or rent. *But what explains and justifies land rent? That* is the crucial question. Not until that question is answered is the loan interest question finally answered.

Böhm-Bawerk wrote on this question as follows:

> The ancients and the canonists had said, "Loan interest is an unjust defrauding of the borrower by the lender, for money is barren, and, furthermore, there is no special 'use' of money which the lender may justly sell for a separate remuneration." This was contradicted by the new doctrine which said, "Loan interest is just, for in the first place, money is *not* barren because, when properly employed, it is capable of producing a gain, the prospect of which the lender renounces in favor of the borrower; and in the second place, there *is* a use of capital which is separable from capital itself, and which may be sold separately from it."
>
> . . . The central idea of the new doctrine is the suggestion that capital produces fruits for him who employs it. After an immense expenditure of ingenuity, dialectics, polemics, and verbiage, there emerges from the new doc-

trine a thought which is basically the same idea that Adam Smith, in his wonderfully simple way, expressed shortly afterwards in the few words that contain his solution of the whole question as to whether interest is justifiable or not, "As something can everywhere be made by the use of money, something ought everywhere to be paid for the use of it." Translated into our modern terminology, this idea would run, "*There is loan interest because there is originary interest*.*"

What the theory of [Calvin and] Salmasius and his followers amounts to then, is essentially this, that they explain contract or loan interest by establishing the fact of the existence of originary interest.

How much did the elucidation of the interest problem gain by this? That the gain was not inconsiderable is attested by the fact that the intellectual labor of centuries was needed to secure credence for the new doctrine, in the face of hostile impressions and prejudices. But just as certain is it that, when this explanation was given, much remained still to be done. The problem of interest was not solved, its solution was only postponed. To the question, "Why does the lender get from his loaned capital a permanent income not due to work?" the answer was given, "Because he could have obtained it if he had employed the capital himself." But why could he have obtained this income himself? This question obviously required an answer before any progress could be claimed toward a solution of the true origin of interest. But, in the period we are discussing, that question not only was not answered, it was not even asked.

All attempts at explanation got as far as the fact that the man who has a capital sum in hand can make a gain with it. But here they go lame. They accept this as a fact, without the slightest attempt at any further explanation of the fact itself; thus Molinaeus, with his proposition that money, assisted by human exertion, brings forth fruit, and with his appeal to everyday experience;

*Originary interest is *land rent* and *profits*. This definition will suffice here.

thus Salmasius himself, with his delightful plea for the fruitfulness of money, in which, however, he simply invokes the fact without explaining it; and thus, too, even the latest and most advanced economists of the whole period — such men as Locke, Law, Hume, James Steuart, Justi, Sonnenfels. Now and then they advance extremely clear and thorough statements of how loan interest is bound to emerge from the possibility of a gain, and how in the amount of that gain it must find the measure of its own amount. But not one of them ever achieves the question as to the why and wherefore of that originary interest.

What Salmasius and his time achieved for the interest problem can best be evaluated by comparing that problem with the problem of land-rent. Salmasius, though badly handicapped by attendant, even if irrelevant circumstances, accomplished for the interest problem the thing which it had never been necessary to accomplish in the case of the land rent problem, just because it was too self-evident. He proved that the lessee pays the stipulated rent because the leasehold yields that rent. But he did not accomplish, and did not attempt to accomplish for the interest problem the one thing that required scientific effort in the case of land rent. He did not explain why the leasehold, even if it remain in the hands of its owner, still yields that rent.

So all that had been accomplished in the period we have just been considering was to drive an advanced outpost back to the main position, as it were. The problem of loan interest is pursued till it coincides with the general problem of interest. But the main position is not captured or even attacked. At the end of the period the heart of the interest problem is virtually untouched.

What is *interest?* It is an *unearned* income. *Unearned?* What entitles anyone to an *unearned* income? What entitles a landlord to rent, or other capital to profits, or a lender to interest?

We have here no ordinary question, but *the* crucial question in regard to capitalism. This is the question which socialists and communists ask insistently.

Let us put the problem in the form of a genuine problem.

In Calvin's day the right to the *private* ownership of property was not disputed. *Loan* interest was a problem *only* because Scripture had been interpreted as being opposed to *loan* interest but not to interest generally. Scripture nowhere, had disputed land rent or capital profits. In fact, Christ in one of his parables based the whole parable on the absolute validity of a landlord *collecting more than he had invested.* That the landlord would get his principal back — just the *one* talent — was not considered enough. The unprofitable servant was ordered to be thrown into "outer darkness." In the parable the two other servants, recipients of five and two talents respectively, each doubled the landlord's (in this age we would say the *capitalist's*) money and the landlord took back the whole *double* amount.

But since the days of Christ and the days of Calvin, new schools of thought have arisen — the interventionist-socialist-communist schools of thought. The basic idea of these schools is that nobody may genuinely *own* the means of production (capital) *individually, nor may an individual receive any or a free return on his capital.* Any such return is called *exploitation* by the socialists-communists. They declare all return on capital — interest, profits, rent — to be *exploitation.* They deny the right of private ownership.

In other words, Calvin gave an answer on *interest* which answered the question of *loan* interest *in his day,* but he made no contribution whatever to the solution of the interest question *today* in its revised and more radical form — namely, why should *any* capital of *any* kind obtain *any unearned* return? All that Calvin said was: a loan is entitled to a return because land and capital obtain a return. But he did not think of demonstrating *why* land and capital obtain or are entitled to a return. fn

(to be continued)

Two Books On The Social Gospel

Readers should obtain for their own libraries, or borrow from a public library, two valuable historical and critical books on the social gospel: *The Powers That Be* by Rev. Edmund A. Opitz and *The Kingdom Without God* by Gerald A. Heard and Edmund A. Opitz.

These books are published by the Foundation for Social Research, 1521 Wilshire Boulevard, Los Angeles 17, California. The two can be bought in paperbound form for $3.00; clothbound $6.00. (The Foundation is associated with Spiritual Mobilization (see January issue, pages 12-13), with whose theology we disagree but with whose ethics we do agree.)

These books will give insight into how the social gospel has deeply affected the thinking of some of the members of the Calvinistic Action Committee and other members in the Christian Reformed church. fn

The World's Greatest Economists

Anyone is entitled to his own opinion regarding who have been the greatest in the history of a particular science. If we were asked to select five for the science of economics, we would nominate the following (named in historical order): Adam Smith (1723-1790), David Ricardo (1772-1823), Carl Menger (1840-1921), Eugen von Böhm-Bawerk (1851-1914), and Ludwig von Mises (1881-).

If, as in II Samuel 23 in the Old Testament, one wishes to get down to "three mighty men" to whom none of all the others was "able to attain," we would nominate Smith, Böhm-Bawerk and Mises.

The foregoing list is not as a popularity vote. Popularity often depends on "pitching" one's message to what people wish to hear and not to what they should hear. The greater a man's popularity, the greater the probability, as Schopenhauer wrote with sardonic contempt, that the popular idol knew how to "stroke" people right, just as stroking a dog or cat makes a person popular with dogs and cats.

These men during their lives did not seek short-term success. Abraham Lincoln considered himself at some disadvantage compared with Stephen A. Douglas when the two were debating together in the Lincoln-Douglas debates. Douglas possessed skill in making clever turns in his argument; Lincoln could not match him. Lincoln countered by saying that he was speaking for the record and the sober long-term judgment of men throughout the ages; he recommended that people read carefully after the debate exactly what both men had said. On that basis Lincoln was perfectly confident in the outcome. Smith, Ricardo, Menger, Böhm-Bawerk and Mises have all written for the long term, and not to acquire short-lived acclaim.

As far as we know none of the five in the list has had much sympathy for Christianity, let alone Calvinism. Adam Smith is known to have disliked Calvinism cordially. But all five have taught economic principles which are the only economic principles reconcilable with the ethics of the Old and New Testaments.

Sometime late this spring we shall be ready to distribute copies of Mises's latest book *The Anti-Capitalistic Mentality* (D. Van Nostrand Company, Inc., Princeton, New Jersey, 1956, 114 pages, cloth $3.75). We shall be glad to send subscribers to PROGRESSIVE CALVINISM in 1957 a *paperbound* copy of this book as soon as they are delivered to us. Or we shall be glad to send currently a copy of *The Road To Serfdom* by Friedrich von Hayek, the famous economist and essayist in the same tradition as the men whom we have listed. Please indicate your choice. fn

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